Client Lobbyist
Guide to the Code of Ethics

Office of State Ethics
Carol Carson, Executive Director

Contact Us

Agency Address: Connecticut Office of State Ethics
18-20 Trinity Street
Suite 205
Hartford, CT 06106

Telephone: 860-263-2400

Facsimile: 860-263-2402

Website: www.ct.gov/ethics

Business Hours: 8:00 am to 5:00 pm

Visitors must enter the building through the door next to the Bushnell Memorial Theater.

Specific E-mail Contacts: For the timeliest responses, please be sure to direct your questions to the appropriate e-mail address; for example, with lobbyist filing concerns such as, "my password doesn't work," please be sure to send your query to lobbyist.ose@ct.gov

➢ Legal Advice Regarding Code of Ethics	ethics.code@ct.gov
➢ Lobbyist Filing/Reporting Questions	lobbyist.ose@ct.gov
➢ Public Official Filing/Reporting Questions	sfi.ose@ct.gov
➢ Enforcement / Filing a Complaint	ethics.enforcement@ct.gov
➢ All Other Inquires	ose@ct.gov

Staff Phone Number Listing

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OFFICE OF STATE ETHICS

Introduction

The Connecticut Office of State Ethics was created on July 1, 2005, pursuant to Public Act 05-183, and is an independent regulatory division of the Office of Governmental Accountability, charged with administering and enforcing the Connecticut Codes of Ethics, located in Chapter 10 of the Connecticut General Statutes.

The Connecticut Office of State Ethics educates all those covered by the Ethics Codes; provides information to the public; interprets and applies the Connecticut Codes of Ethics; and investigates violations of, and otherwise enforces, the Ethics Codes.

The Office of State Ethics consists of:

- Citizen's Ethics Advisory Board
- Executive Director
- Legal Division
- Enforcement Division

The Office of State Ethics has the following jurisdiction:

- **Part I** The Code of Ethics for Public Officials
  General Statutes §§ 1-79 to 1-90a;
- **Part II** The Code of Ethics for Lobbyists (Part II)
  General Statutes §§ 1-91 to 1-101a; and
- **Part IV** Ethical Considerations Concerning Bidding and State Contracts
  General Statutes §§ 1-101mm to 1-101rr.

Citizen's Ethics Advisory Board

The governing body of the OSE is the Citizen's Ethics Advisory Board (CEAB), comprised of nine members appointed by the Governor and legislative leadership.

Members:

Charles F. Chiusano, Vice Chairperson	*Herbert A. Grant, Vice Chairperson*
Mary Bigelow	Susan Gruen
Roger L. Kemp	Dennis Riley
Daniel M. Young	(1) Vacancy

The CEAB holds monthly meetings that are open to the public. A schedule of CEAB meeting dates, times and locations is available at www.ct.gov/ethics.

ARE YOU A LOBBYIST?

Definitions.

Lobbyist is any person who either expends or agrees to expend, or receives or agrees to receive, $2,000 or more in a calendar year to communicate directly or to solicit others to communicate with any public official or their staff in the legislative or executive branch, or in a quasi-public agency, in an effort to influence legislative or administrative action. General Statutes §§ 1-91 (k) and (l).

Lobbyists are covered by Part II of the Code of Ethics. (Part I of the Code of Ethics covers public officials and state employees.) Each state agency also has its own ethics policy, which may be more restrictive than what follows, particularly in connection with which benefits a lobbyist may provide to public officials and state employees. Be sure to obtain a copy of the state agency's policy before you engage in any lobbying with any agency official or employee.

What type of lobbyist are you?

Client Lobbyist is the individual entity *paying* for lobbying services on its behalf. In other words, the client lobbyist is expending or agreeing to expend the threshold amount of $2,000 or more in a calendar year. A Client Lobbyist may utilize in-house communicator lobbyists as well as outside communicator lobbyists to conduct its lobbying activities. General Statutes § 1-91 (u).

Communicator Lobbyist is the person who *receives payment* and does the actual lobbying (i.e., communicating or soliciting others to communicate). A communicator lobbyist receives or agrees to receive $2,000 or more for lobbying activities in a calendar year. General Statutes § 1-91 (v).

A communicator lobbyist can be:

1. An individual;
2. A member of a Business Organization (i.e., a firm or association that is owned by or employs a number of lobbyists), General Statutes § 1-91 (t); or
3. An in-house communicator (a lobbyist who is a paid employee of a client lobbyist).

Note: This guide speaks specifically to statutes and regulations regarding client lobbyists. There is a separate guide written specifically for communicator lobbyists which is available on our website.

DO YOU NEED TO REGISTER AS A LOBBYIST?

You are required by law to register as a lobbyist with the Office of State Ethics if you:

- Expend or agree to expend $2,000 or more in a calendar year for lobbying and activities in furtherance of lobbying; *OR*
- Receive or agree to receive $2,000 or more in a calendar year for lobbying and activities in furtherance of lobbying (including any reimbursements).

The $2,000 registration threshold applies to any combination of the following activities:

Legislative Lobbying is any lobbying to affect legislation, including any matter within the cognizance of the legislature, even if you contact an executive branch official as part of your efforts.

Administrative Lobbying is any lobbying to affect the rules or regulations of an executive agency or any other matter within the official cognizance of that agency, also including lobbying to affect the actions of an executive or quasi-public agency regarding a contract, grant, award, purchasing agreement, etc.

Activities in Furtherance of Lobbying are expenditures for research, reports, polls, media buys, activities fostering good will, office expenses, secretarial or paralegal salaries, etc.; essentially the activities that support the actual lobbying efforts.

Once you meet the definition of client lobbyist, and you meet the above monetary threshold, you must register with the OSE on or before January 15 or prior to the commencement of lobbying. During an odd-numbered year, the registration fee is $250 and the registration is valid for the biennium (i.e., until the end of the next even-numbered year). Registration in an even-numbered year is valid until the end of that even-numbered year and costs $125. General Statutes § 1-95.

See also the exceptions to the requirement to register as an administrative lobbyist, Regulations of Connecticut State Agencies § 1-92-42a.

Note:
Lobbying does not include communications by a party, its representative or an intervenor in a contested case before an executive agency or quasi-public agency; communications by a representative of a vendor acting as a salesperson and not otherwise engaging in administrative lobbying; and communications by attorneys made while engaging in the practice of law and not concerning legislative actions or changes to rules or regulations. General Statutes § 1-91 (k).

ONLINE LOBBYIST FILING SYSTEM

General Statutes § 1-96b requires online filing. In order to file electronically, you must become a registered user by requesting a username and password for the lobbyist filing system.

Note: If you already have a username and password (Hint: Your e-mail address is your username) you do not need to create a new username and account; you may proceed to Registration, or click "Forgot Password?" A temporary password will be sent to your e-mail.

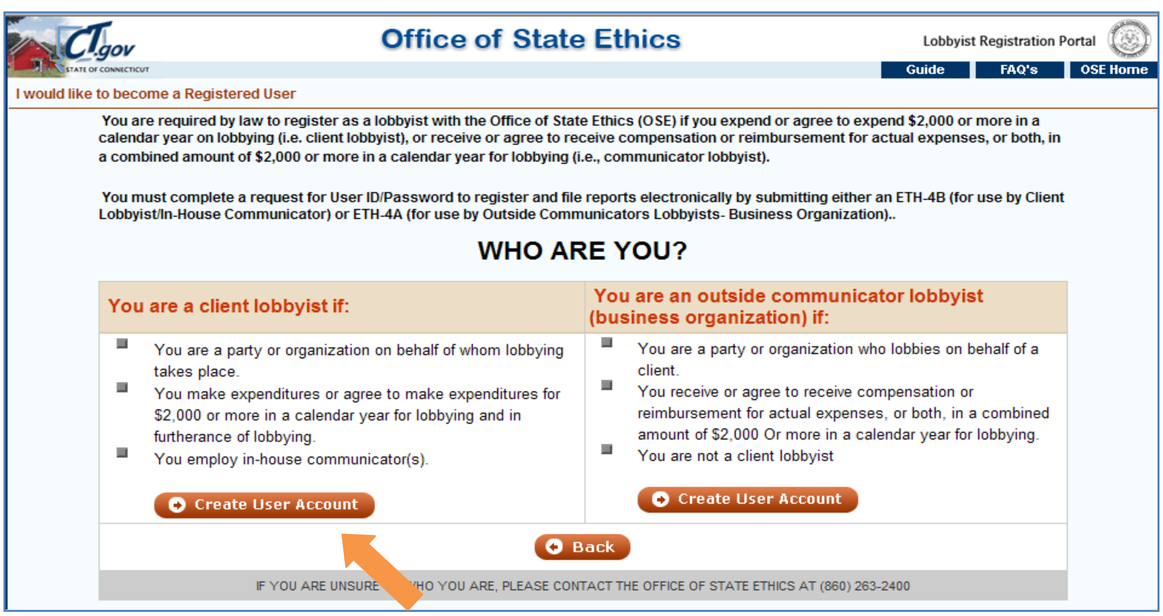
New Users - Create a Username and Password

STEP 1

Visit our website at www.ct.gov/ethics. Select "Lobbyist Filing & Information" from the left hand navigation panel, then select "Registration" located to the right of "New Users".

LOBBYIST FILING SYSTEM – New Users - Registration

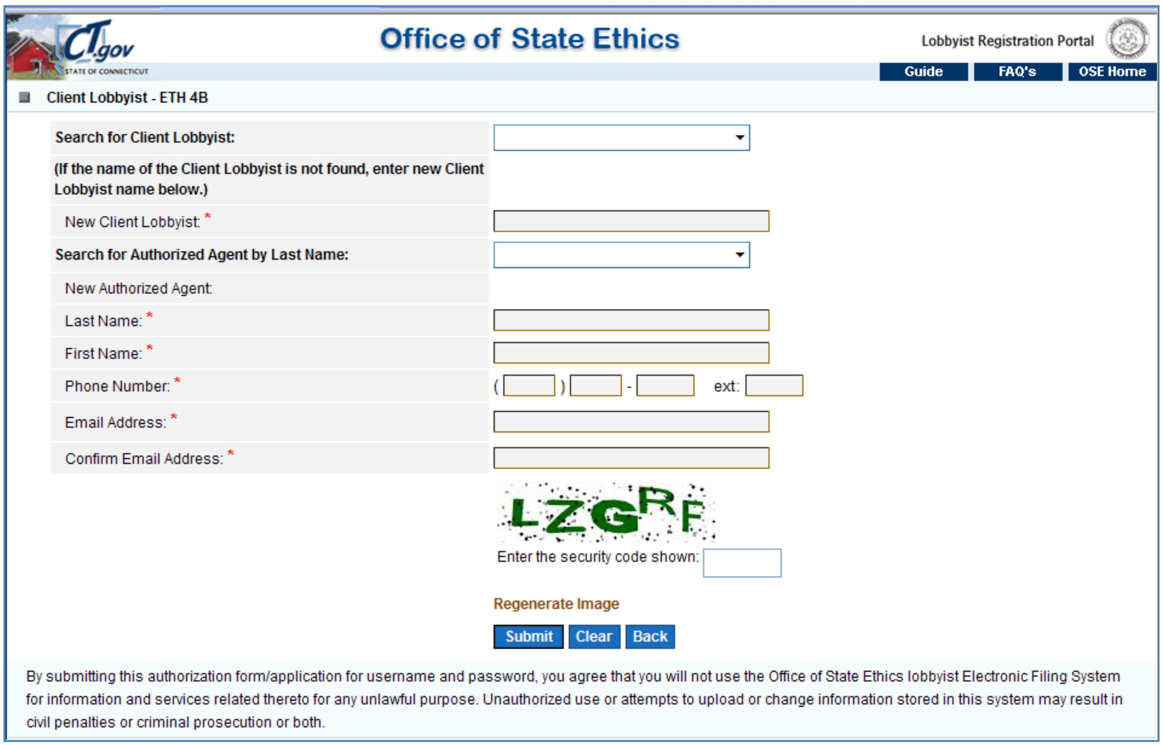
Select "Create User Account" for Client Lobbyist



STEP 2

Verify that you are not creating a duplicate user account and assign an Authorized Agent.

When creating a new user account, the registration system requires you to search to ensure that you are not already in the system as a Client Lobbyist. It also requires you to search for an authorized agent, who is either the registrant or another individual who is authorized to make changes to the account and to submit required financial statements. If the registrant is not an individual, an authorized officer or agent of the registrant shall sign the form. General Statutes [§ 1-95(a)]


CT.gov STATE OF CONNECTICUT
Office of State Ethics
Lobbyist Registration Portal
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Client Lobbyist - ETH 4B

Search for Client Lobbyist:
(If the name of the Client Lobbyist is not found, enter new Client Lobbyist name below.)
New Client Lobbyist: *
Search for Authorized Agent by Last Name:
New Authorized Agent:
Last Name: *
First Name: *
Phone Number: * ( ) - ext:
Email Address: *
Confirm Email Address: *

LZGRF
Enter the security code shown:
Regenerate Image
Submit | Clear | Back

By submitting this authorization form/application for username and password, you agree that you will not use the Office of State Ethics lobbyist Electronic Filing System for information and services related thereto for any unlawful purpose. Unauthorized use or attempts to upload or change information stored in this system may result in civil penalties or criminal prosecution or both.

After creating a User Account, you will receive an e-mail containing a username and temporary password, which will allow you to log in to the lobbyist filing system to continue to the registration process.

Note: Creating a username and account is **not** a registration.

STEP 3

Retrieve your temporary password from email notification and log in to the Lobbyist Filing System. After you log in, using the temporary password, you will be asked to create a new password.

E-Mail Notification with Temporary Password

Dear Client Name,

Thank you for using the ETHICS Lobbyist system. Your new password has been created.

Please log in to ETHICS Lobbyist system (https://www.oseapps.ct.gov/NewLobbyist/security/loginhome.aspx) with the information as follows:

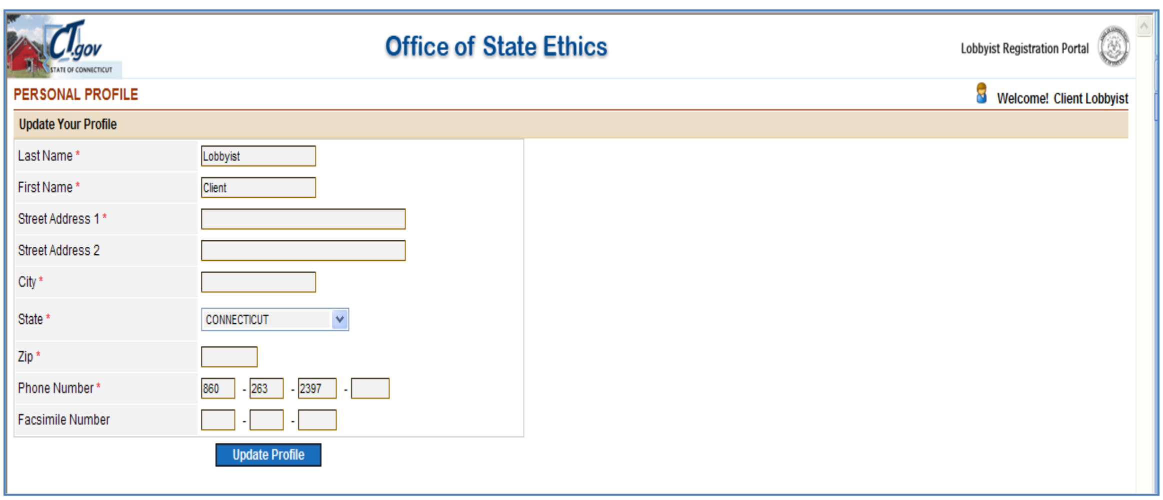
Log in Name: your email address
Password: U6fIuD6b (Temporary Password – Case Sensitive)

Thank you,
Sincerely,
Office of State Ethics
Website: https://www.oseapps.ct.gov/NewLobbyist/security/loginhome.aspx

(This message was sent to you by an automated e-mail system. Please don't reply to it).

STEP 4

Enter Information for your personal profile.



Congratulations! You have successfully created an account and are ready to proceed to registration.

REGISTRATION

Which form should you use to register?

Client Lobbyists and In-house Communicator Lobbyists must register by completing the ETH-1B.

Individual communicator lobbyists and business organization communicator lobbyists register by completing the ETH-1A. These forms are located and can be accessed by logging in to the Lobbyist Filing System.

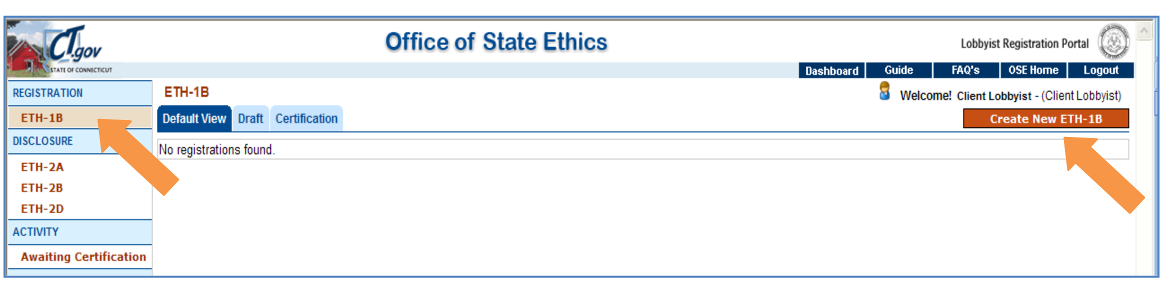
On-Line Registration

STEP 1 – Log in

Visit our website at www.ct.gov/ethics. Select "Lobbyist Filing & Information" from the left hand navigation panel then select "Log-In to Filing System." Log in by entering your Username and Password in the log in box on the right hand side of the screen.

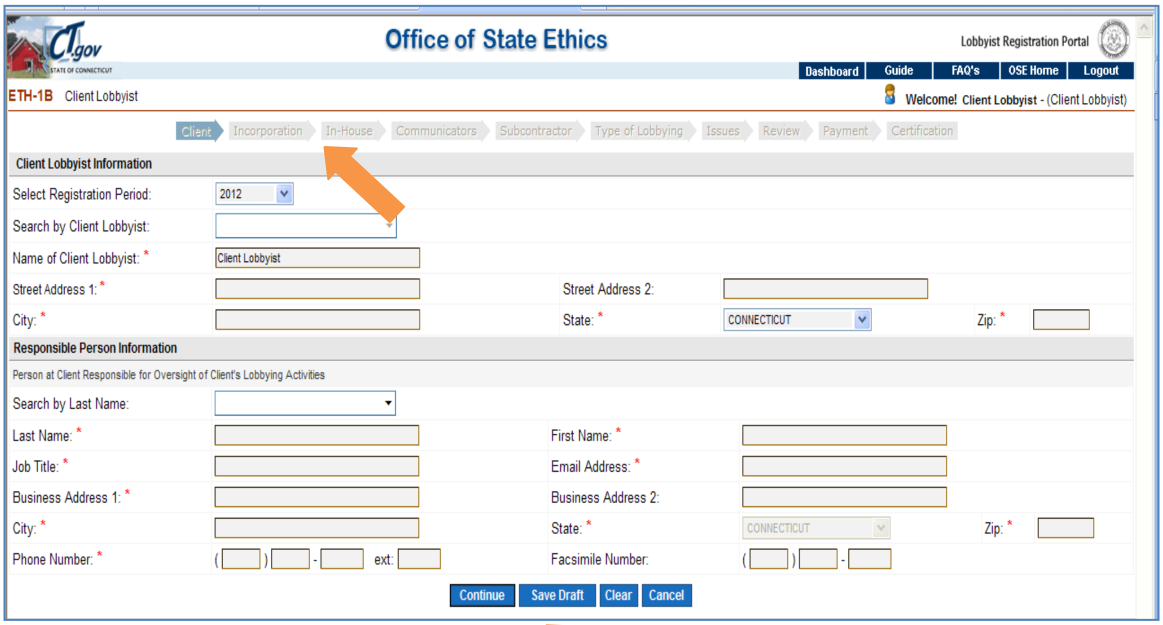
STEP 2 – Create a Registration (ETH-1B)

From the main Dashboard screen, select ETH-1B from the left hand navigation panel. The screen below will appear. Click on the orange button on the right that says "Create New ETH-1B."



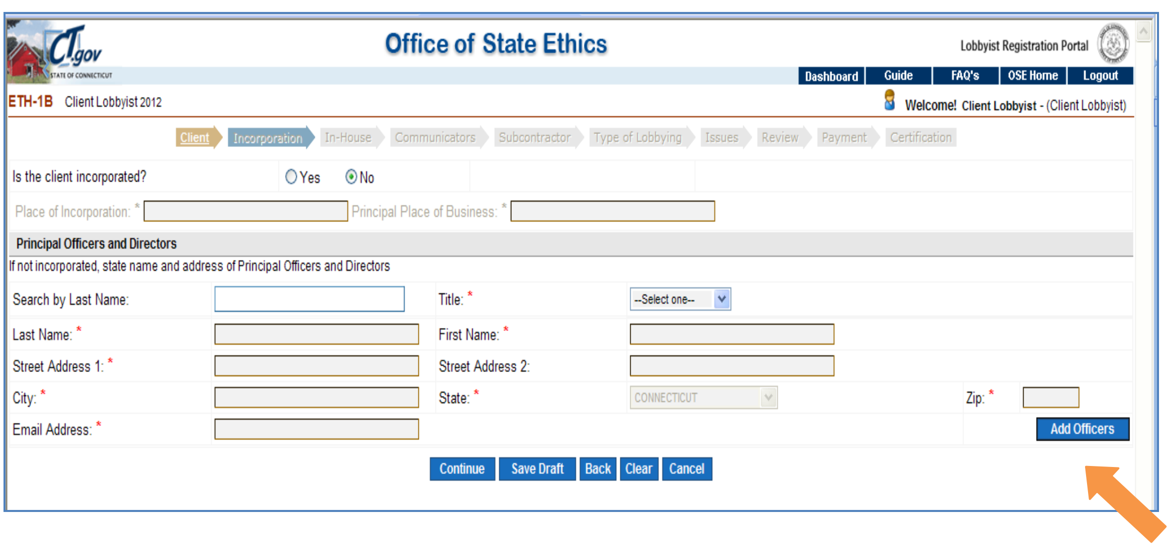
STEP 3 – Client Tab

Enter your client lobbyist information and responsible person information, and then click "Continue." Red asterisks * indicate a required entry. You may return to an earlier screen by clicking on the tabs at the top or by clicking the "back" button on the bottom of the screen. If you are unable to complete your report, click on "save draft," and you will be able to return later to complete the report.



STEP 4 – Incorporation Tab

State whether you are incorporated or, if not, identify your principal officers and directors. (Note: If adding Officers and Directors, you must click on "Add Officers" once an entry is complete.) When complete, click "Continue."



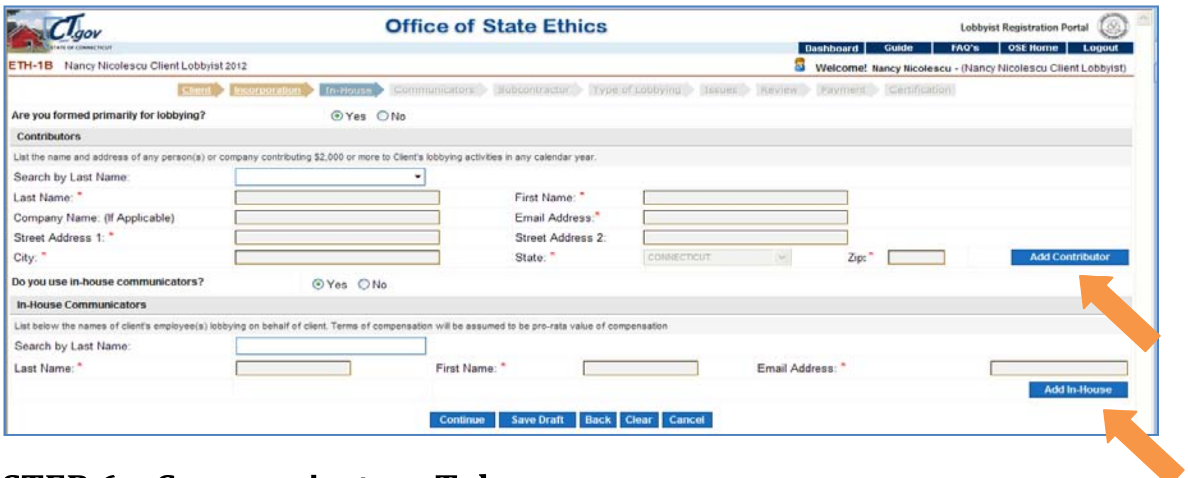
STEP 5 – In- House Tab

Contributors

State whether you are formed primarily for lobbying. (There is a presumption that, when over half of a registrant's expenses are used for lobbying or in furtherance of lobbying in any six month period, the registrant is formed "primarily" for lobbying.) If "yes," you must list the names and addresses of any individuals or entities contributing $2,000 or more to your lobbying activities in any calendar year. You must click on "Add Contributor" for each. Regulations of Connecticut State Agencies § 1-92-46a(d).

In-House Communicators

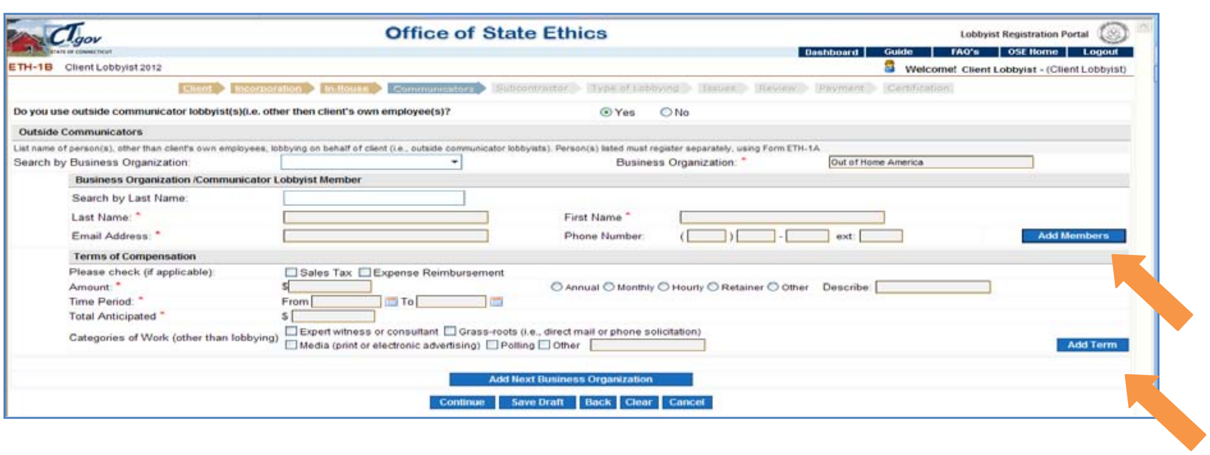
Enter the name of any in-house communicators. You must click on "Add In-House" for each entry. When complete, click "Continue."



STEP 6 – Communicators Tab

Outside Communicators

Enter the business organization and outside communicator lobbyist(s) who will lobby on your behalf and the terms of compensation for each. Click on "Add Members" for each outside communicator and "Add Term" for each contract. Remember, if registering in an odd-numbered year, you should enter the contract amount for two years, unless you only intend to hire the communicator for a single year.



STEP 7 – Subcontractor Tab

This applies if a communicator lobbyist subcontracts with or through another individual (i.e., a subcontractor) to lobby on your behalf. Enter any subcontractors who will provide lobbying on your behalf.

STEP 8 – Type of Lobbying Tab

Enter the type of lobbying you are registering for: Administrative, Legislative or Both. Identify the agencies that you plan to lobby and indicate if you are soliciting state contracts or procurement awards with any agency.

STEP 9 – Issues Tab

Enter the nature of your business; then check all issues on which you expect to lobby.

STEP 10 – Review Tab

When reviewing your registration, click the blue "back" button on the bottom of the screen to update/change any information you entered. You may also click on the arrows across the top of the screen to return to a particular section.

STEP 11 – Payment Tab

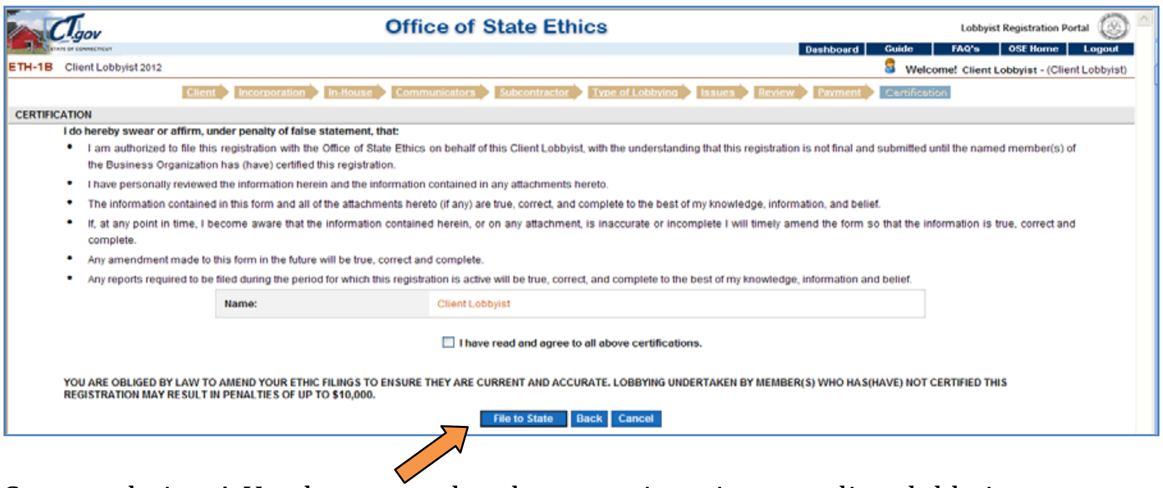
Select your Payment Method: Check or Credit Card. Registration generally occurs biennially (every two years). During an odd-numbered year, the registration fee is $250 and the registration is valid for the biennium (i.e., until the end of the next even-numbered year). Registration in an even-numbered year is valid until the end of that even-numbered year and costs $125.

Note: A registration is not final and submitted until payment is received by the Office of State Ethics.

STEP 12 – Certification Tab

You must certify the registration under penalty of false statement, before filing to the state. Check the box next to "I have read and agree to all above certifications" and click the "File to State" box. Payment, certification and filing registration to the state must occur before you can lobby.

Note: Lobbying by persons who have not certified this registration may result in penalties of up to $10,000.


Office of State Ethics

Lobbyist Registration Portal

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ETH-1B Client Lobbyist 2012

Welcome! Client Lobbyist - (Client Lobbyist)

Client > Incorporation > In-House > Communicators > Subcontractor > Type of Lobbying > Issues > Review > Payment > Certification

CERTIFICATION

I do hereby swear or affirm, under penalty of false statement, that:

- I am authorized to file this registration with the Office of State Ethics on behalf of this Client Lobbyist, with the understanding that this registration is not final and submitted until the named member(s) of the Business Organization has (have) certified this registration.
- I have personally reviewed the information herein and the information contained in any attachments hereto.
- The information contained in this form and all of the attachments hereto (if any) are true, correct, and complete to the best of my knowledge, information, and belief.
- If, at any point in time, I become aware that the information contained herein, or on any attachment, is inaccurate or incomplete I will timely amend the form so that the information is true, correct and complete.
- Any amendment made to this form in the future will be true, correct and complete.
- Any reports required to be filed during the period for which this registration is active will be true, correct, and complete to the best of my knowledge, information and belief.

Name: Client Lobbyist

☐ I have read and agree to all above certifications.

YOU ARE OBLIGED BY LAW TO AMEND YOUR ETHIC FILINGS TO ENSURE THEY ARE CURRENT AND ACCURATE. LOBBYING UNDERTAKEN BY MEMBER(S) WHO HAS(HAVE) NOT CERTIFIED THIS REGISTRATION MAY RESULT IN PENALTIES OF UP TO $10,000.

File to State | Back | Cancel

Congratulations! You have completed your registration as a client lobbyist.

Badges

Each individual who is a lobbyist shall, while engaged in lobbying, wear a distinguishing badge which shall identify him as a lobbyist. The size, color, material and other requirements of such badge shall be prescribed by regulation of the Citizen's Ethics Advisory Board. General Statutes § 1-101.

Replacement Badges

Replacement badges may be purchased for $1.00 *cash only*. The fee is collected when you pick up your badge at the Office of State Ethics. Regulations of Connecticut State Agencies § 1-92-52. Request a Replacement Badge.

Registration Amendments/Terminations

To amend or terminate your registration, log in to the lobbyist filing system, select your ETH-1B and click on amend. Note that amendments that add a communicator lobbyist include the payment page for the corresponding fees.

Amendments must be filed if there is a change in your lobbying activities, such as: (a) changes to fundamental contract terms or agreements to subcontract lobbying work; and (b) additions or deletions of communicator lobbyists. After your amendment has been filed to the State, the online system will show the date and time of the amendment, as well as the person who made the amendment.

You must file a notice of termination within 30 days after you cease the activity that first triggered registration. In doing so, you must certify that you do not intend to resume such lobbying activity for the remainder of the 2-year registration period. General Statutes § 1-95 (c).

It is important to remember that a post-termination report is due between January 1 and January 10 of the year following your termination, whether or not you engage in lobbying activities or make expenditures during that period. This report covers the period from the termination date through December 31 of the year in which termination took place. General Statutes § 1-96 (d). For example, even if you terminate your registration on June 1, 2013, you still must file a post-termination report between January 1 and January 10 of 2014.

Note: If you have terminated and, subsequent to your termination, expend monies incident to prior lobbying or expend $10 or more for the benefit of a public official, their staff or family member(s) within six months of terminating, you must file an ETH-2D with the OSE within 30 days. General Statutes § 1-96 (g).

In Advisory Opinion No. 2008-7, the Citizen's Ethics Advisory Board concluded that a communicator lobbyist who terminates his or her registration during a calendar year is no longer a registrant, but remains a communicator lobbyist for the remainder of that year for the purposes of the elections statutes.

Reporting

Once registered, you have filing responsibilities (see page 19.) You must file all reports, amendments and terminations online.

Electronic Signatures

An electronic signature satisfies the signature requirement of the Code of Ethics. Registrants who file online reports and who submit electronic signatures are considered to have duly "signed" the report. (Pursuant to §§ 1-272 (d), 1-274 (a) and 1-276 of the Connecticut Uniform Electronic Transactions Act.)

Public Information

All disclosed information is available to the public in a variety of formats. Access to this information is available from our website in the lobbyist registration portal. Commonly requested reports include the lobbyist list, terms of compensation, concern/interest grouping, expenditures for the benefit of a public official, client financials, and client demographics.

CLIENT LOBBYIST FINANCIAL REPORTING

What financial reports do you need to file and when?

In addition to the registration form(s), registered lobbyists need to file periodic financial reports.

Client Lobbyists file the **ETH-2D** form **quarterly** and, in some instances, **monthly**. This form gathers information such as compensation, sales tax and money expended in connection with lobbying; expenditures benefiting a public official or their staff or immediate family; all other lobbying expenditures; and the fundamental terms of any contract or agreement. General Statutes § 1-96 (e).

File the **ETH-2D quarterly**, between the 1st and 10th day of the months of April, July and January (3rd and 4th quarters are combined). General Statutes § 1-96 (a). All client lobbyists **must** file *all* quarterly reports, with the third and fourth quarters filed together. All client lobbyists must file quarterly, *even if there were no lobbying activities or expenditures made during the reporting period, and/or have terminated.*

In addition, you must file the **ETH-2D monthly**:

- IF the legislature is in regular session;
- *AND* you have expended or agreed to expend $100 or more in legislative lobbying during the previous month.

Client Lobbyist Filing Calendar

2013 Client Lobbyist Quarterly Reporting Schedule	Due Dates
January 1– March 31 (First Quarter Report)	**April 10, 2013**
April 1 – June 30 (Second Quarter Report)	**July 10, 2013**
July 1 – December 31 (Third and Fourth Quarters Combined)	**January 10, 2014**

2013 Client Lobbyist Monthly Reporting Schedule		Due Dates
January 1 – January 31		**February 10, 2013**
February 1 – February 29		**March 10, 2013**
March 1 – March 31	**1st Quarter Report**	**April 10, 2013**
April 1 – April 30		**May 10, 2013**
May 1 – May 31		**June 10, 2013**
June 1 – June 30	**2nd Quarter Report**	**July 10, 2013**

How to File Your Financial Report – ETH 2D

STEP 1 – Log in

Visit our website at www.ct.gov/ethics. Select "Lobbyist Filing & Information" from the left hand navigation panel.

Log in by entering your Username and Password in the log in box on the right hand side of the screen.

Your e-mail address is your username.

Click: "Forgot Password?" To have a temporary password sent to your e-mail.

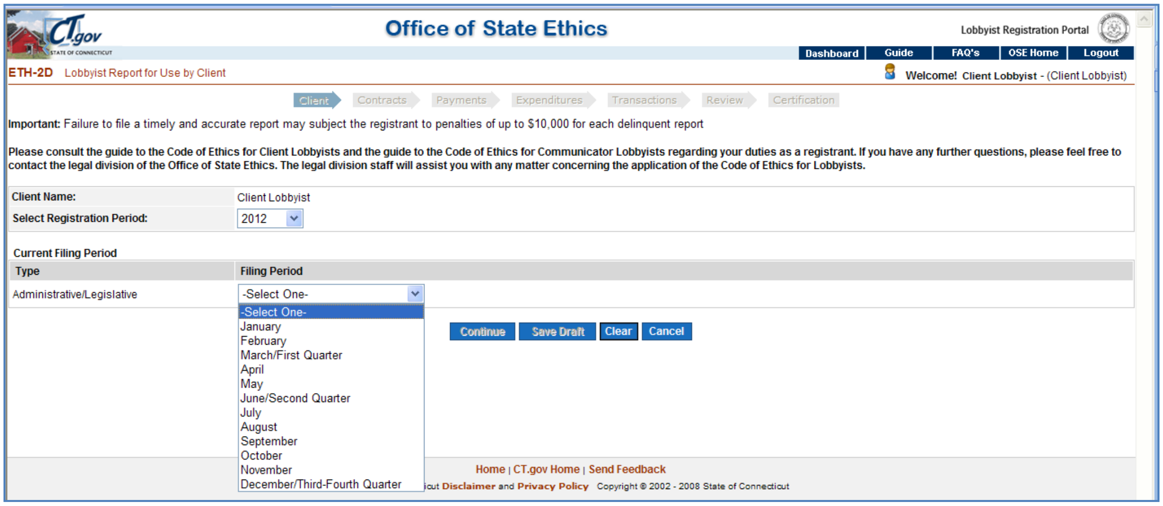
STEP 2 – Create a New ETH-2D

From the main Dashboard screen, select "ETH-2D" from the left hand navigation panel. The screen below will appear; click on the orange button on the right that says "Create New ETH-2D."

Note: Each total you report is for the month, quarter(s), or post-termination period being reported and for that period only. The exception to this rule is that each client registrant, on the **first financial report** following registration, must disclose any expenditures incident to lobbying which were made prior to registration and not previously reported. General Statutes [§ 1-96 (e)](#).

STEP 3 – Client Tab

Select “Registration Period” and “Filing Period,” then click “Continue.”



STEP 4 – Contracts Tab

Fundamental Terms of Contracts – *In Furtherance of Lobbying*

Report the fundamental terms, including the dollar amount, of *any* financial agreement made, or amended, *in furtherance of lobbying* (e.g., media, polling, etc.) on the first financial report following its making or amendment. Search for vendor, and fill-in the required fields, then “Add Contract.” Do this for each contract.

Note: Any changes in terms of compensation with your communicator lobbyist(s) must be filed as an amendment to the registration. **Remember:** Your registration reflects compensation for communicators for the two-year registration period.

STEP 5 – Payments Tab

Compensations, Reimbursement & Sales Tax

Report each payment made to communicator lobbyist(s) or payments outside the organization for services in furtherance of lobbying. Select "Administrative" or "Legislative" lobbying. If you made payments for both legislative and administrative lobbying, it is important to note that any reportable expenditure made in furtherance of lobbying must be accurately divided between legislative and administrative activities and reported separately. For a description of types of lobbying, see page 8 of this guide.

Note: This reporting tab applies to compensation, reimbursement and sales tax to **communicators and vendors** with whom you have a financial agreement. The next tab, "Expenditures," is utilized to report all other expenditures made in furtherance of lobbying , including pro rata salary payments to: (1) employees who lobby but are not required to register; (2) employees who work in furtherance of lobbying, (e.g., paralegals, researchers); and (3) paid media communications and other miscellaneous expenditures described in Step 6, below – Expenditures Tab.

Under this tab, you must:

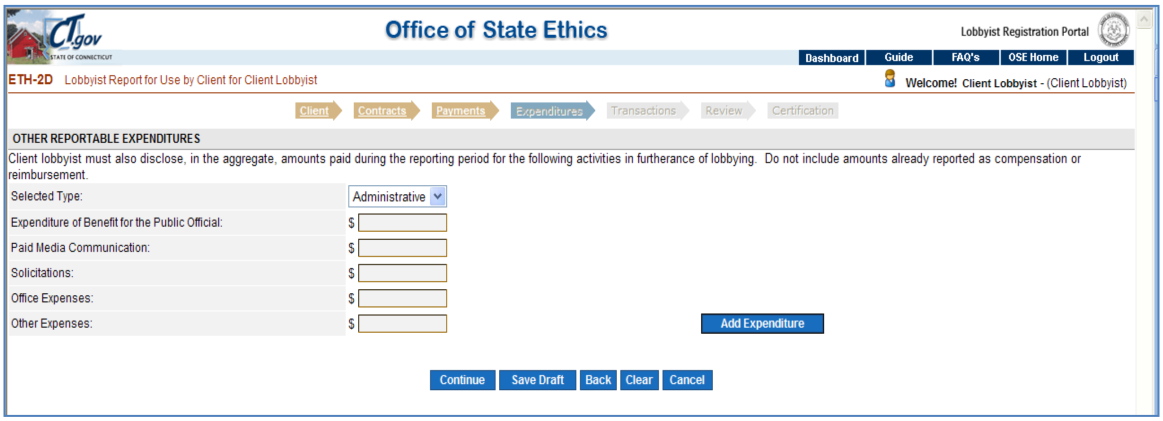
- Report payments made for compensation and reimbursement paid to each communicator who lobbied on your behalf.
- Report payments made to your in-house communicator(s), if applicable. Use a *prorated salary amount* to report the dollar value of the time each in-house communicator spent actually lobbying and/or in furtherance of lobbying.
- Report payments for services in furtherance of lobbying, e.g., media, consultants, pollsters.
- Report sales tax. If sales tax is not applicable, the system requires you to enter **"0"** in the sales tax field.
- Report expense reimbursement for lobbyist-related expenditures (e.g., mileage, parking). If the payment does not have an expense reimbursement associated with it, the system requires you to enter **"0"** in the expense reimbursement field.

Click "Add Payment" for each payment entered.

STEP 6 – Expenditures Tab

Other Reportable Expenditures –Do not include amounts already reported as compensation or reimbursement.

Select “Administrative” or “Legislative” lobbying. It is important to note that each reportable expenditure made in furtherance of lobbying must be accurately divided between legislative and administrative activities and reported separately. For a description of types of lobbying: See page 8 of this guide.



Report Expenditures for the Benefit of Public Official.

- Under the Expenditures Tab, you must report the *aggregate* figure for all expenditures you made for the benefit of a public official, or a member of the official’s staff or immediate family, *in furtherance of lobbying*, whether or not the expenditure exceeded $9.99. **Note:** You will itemize some of these expenditures and related reimbursements under the Transactions Tab.

- Report payments for all occasions or transactions that are in furtherance of lobbying, including payments for your communicator lobbyists to attend such occasions.

Report Paid Media Communications. You must report any expenditures for media communications that refer to pending legislative or administrative action (newspapers, radio, television, web ads, etc.).

Report Solicitations. You must report any expenditures to in-house personnel for any solicitations of *persons outside your organization* to communicate with a public official or state employee for the purpose of influencing any legislative or administrative action, (e.g., mass mailings, phone banks, etc.).

Expenditures Tab (Continued)

Report Office Expenses. You must report the pro rata value of any office expenses in furtherance of lobbying (i.e., the cost of clerical services, telephone usage, postage, etc.) and include the monthly rental for an office for any month during which the office is used primarily (over 50%) for lobbying activities.

Report Other Expenses. You must report all other expenditures made in furtherance of lobbying, including: (1) pro rata salary payments to employees who lobby but are not required to register, (2) pro rata salary payments to employees who work in furtherance of lobbying, (e.g., paralegals, researchers, etc.), (4) paid services or subscriptions which may assist research (e.g., a legislative tracking system, computer research system, etc.), and (5) all other miscellaneous expenditures in furtherance of lobbying (e.g., gifts to the state).

> **Note: Pro-Rata Salary**
> Salary includes gross wages paid. Fringe benefits, such as retirement plan or employers' contributions to a health plan, should *not* be included in the computation of compensation.
>
> **Example:** If an employee (who is not an in-house communicator) whose salary is $2,000 per month spends 50% of his/her time on lobbying-related activities, then you should report $1,000.

STEP 7 – Transactions Tab

Circumstance of Transaction

Itemize expenditures for the benefit of a public official in the legislative or executive branch or for the benefit of the official's staff or immediate family, regardless of whether the expenditure is related to lobbying.

(Expenditures for which you reimburse a communicator lobbyist must also be reported in the aggregate, as expense reimbursements.)

> **Note:** For details concerning which expenditures must be itemized please see the "Common Transactions" section of this guide, page 28.

Screen I – Transaction Tab

Select a Transaction Type:

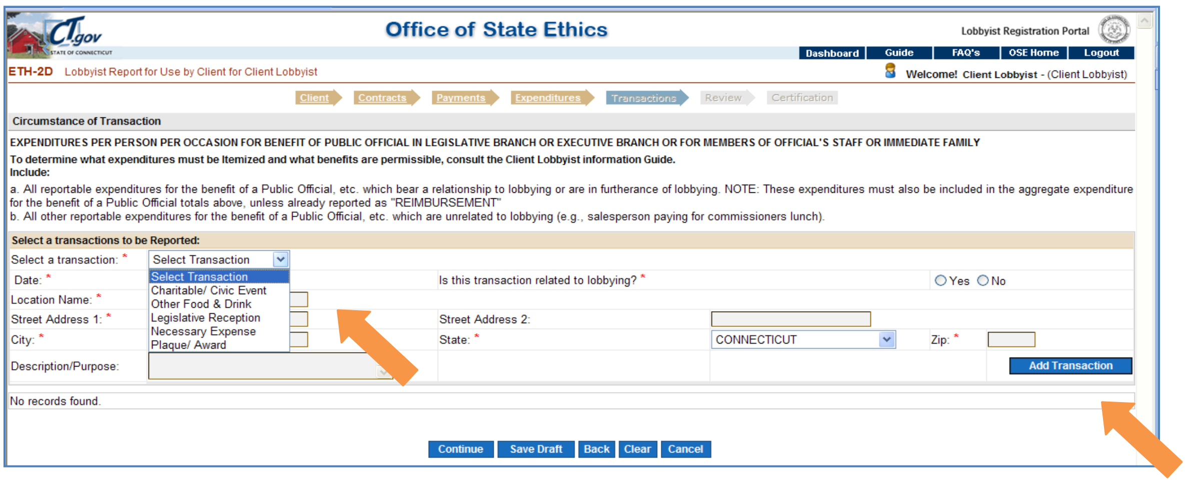
Charitable / Civic Event
Other Food and Drink
Legislative Reception
Necessary Expense
Plaque/Award

Enter the following information and then click "Add Transaction":

Date
Select whether transaction is related to lobbying
Location Name
Address, City, State and Zip Code
Description / Purpose

If you are entering a Necessary Expense transaction you will need to identify one of the following:

- Article
- Appearance
- Speech
- Active Participation

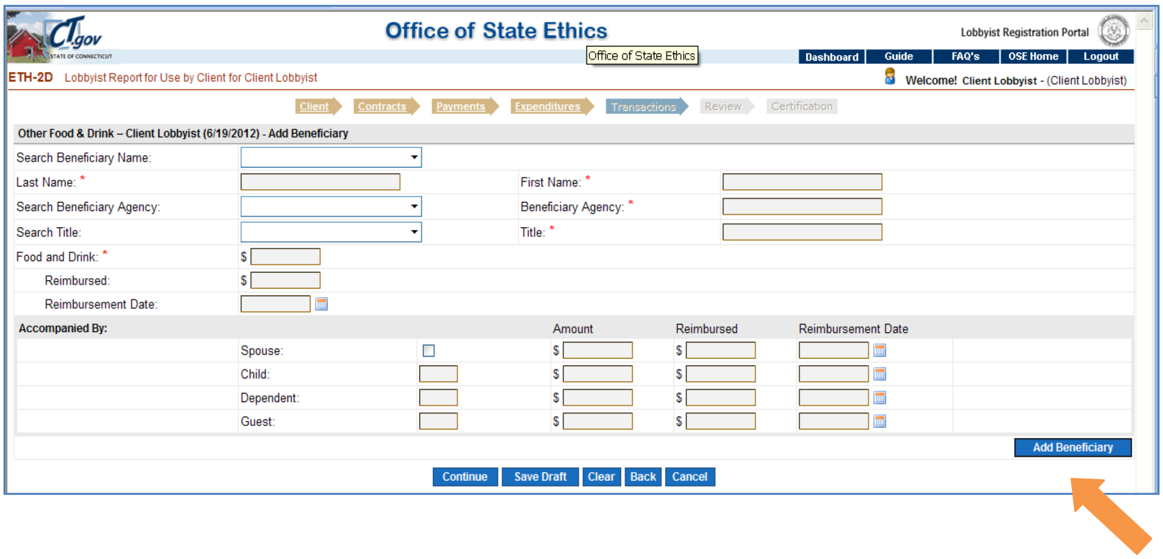


Screen II - Transaction Tab

The second part of reporting a Transaction requires you to identify the client representative(s) in attendance and whether the cost was shared with any other lobbyists, including the identification of any other lobbyist donors and the prorated share paid by each.

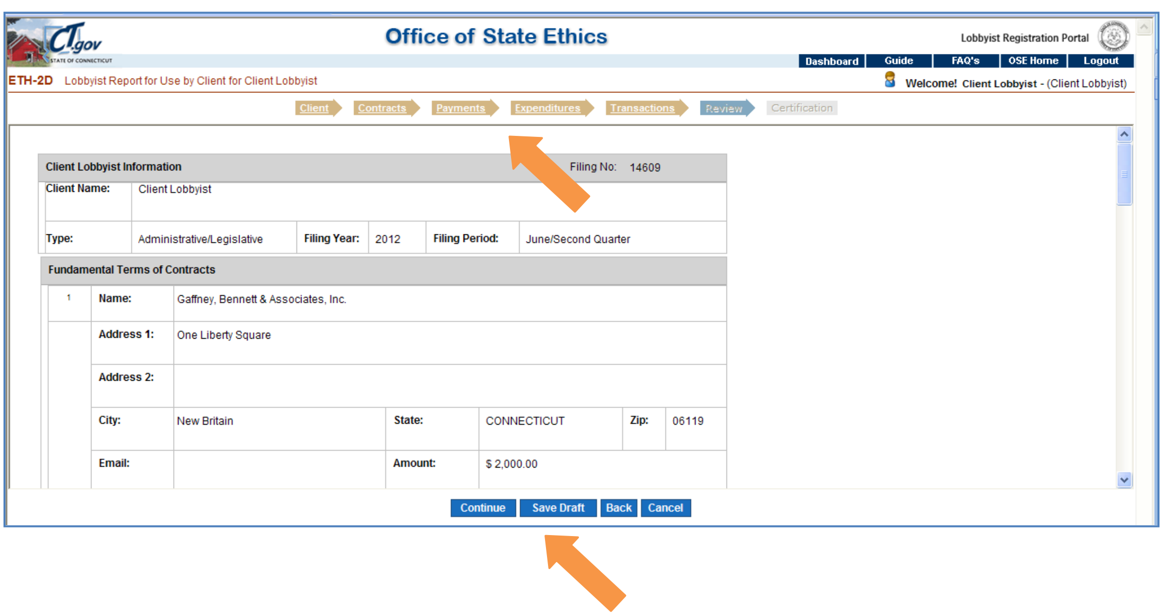
Screen III - Transaction Tab

The third part of reporting a Transaction requires you to identify the beneficiary of the expenditure and whether or not the expenditure was reimbursed by the beneficiary. Depending on the transaction type selected, you will be required to enter information concerning who accompanied the beneficiary.



STEP 8 – Review Tab

When you are reviewing the ETH-2D form, click the blue "back" button on the bottom of the screen to update/change information you entered. You may also click on the arrows across the top of the screen to return to a particular section.



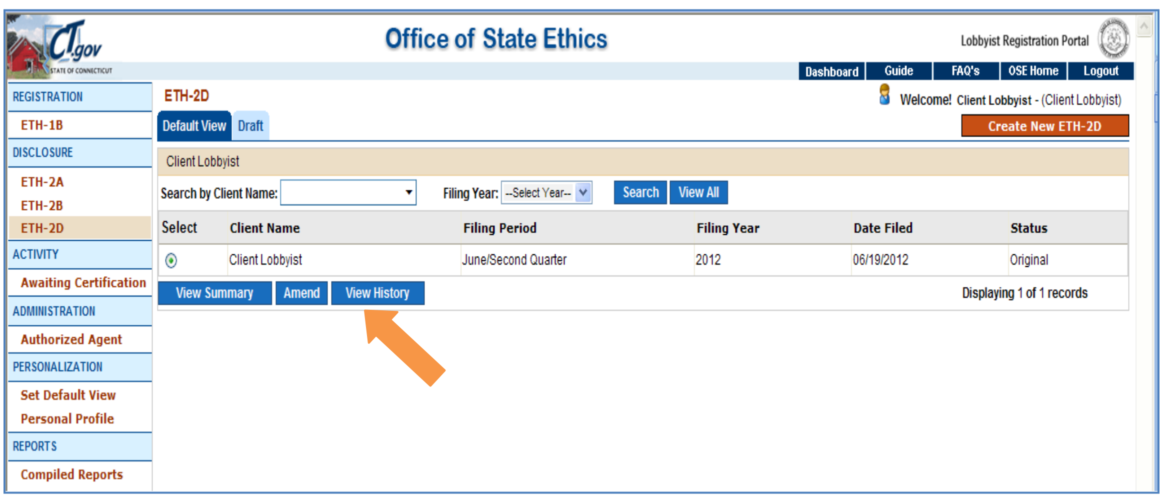
STEP 9 – Certification Tab

Under penalty of false statement, certify your ETH-2D report. Click the box next to "I have read and agree to all above certifications" and then click "File to State."

Congratulations! Your form ETH-2D has been successfully filed.

Financial Report Amendments

To amend your ETH-2D financial report, log in to your [lobbyist filing system] account and pick the appropriate report form from your dashboard. Select "Amend." You may also select "View Summary" or "View History" from this screen.



COMMON TRANSACTIONS

General Itemization

Each expenditure of $10 or more for the benefit of a public official (except for legislative receptions, and charitable/civic events) must be itemized on your financial reports. Specifically, the report requires the following information:

- The nature of the benefit (e.g., a meal) and its date;
- Circumstances (attending lobbyists' names);
- Exact dollar amount expended; and
- Name, title and agency of individual receiving the benefit.

Expenses under $10 that are related to lobbying are included in the aggregate amount. (See Step 6.) (General Statutes § 1-96 (e).)

Valuation of Expenditures

In general, the value of an expenditure equals its cost to the lobbyist.

Expenditure = Actual Cost; or

When the cost of an expenditure is artificially low (e.g., a registered lobbyist receives a free ticket to an event, which is then given to a public official), the value of the expenditure is equal to the fair market value of the benefit (e.g., the cost to the public).

Artificially Low Expenditure = Fair Market Value

The value of food and beverage provided to a public official (or members of their staff or immediate family), is calculated by dividing the total expenditure by the number of individuals attending the meal or event.

Food and Beverage Value = Total Cost ÷ Number of Individuals Present

EXCEPT:

- When the actual amount expended was based on an anticipated number of attendees, one or more of whom did not attend, you may divide the total expenditure by the number of individuals originally expected; or

- In a restaurant setting, with stated menu prices and individual orders, you may determine the actual benefit received by each individual.

Regulations of Connecticut State Agencies § 1-92-48 (c).

Splitting Costs

Two or more lobbyists may split the cost of a meal worth ***up to $49.99*** for a public official or state employee. Similarly, lobbyists may split the cost of a gift worth ***up to $10***.

It is not permissible to circumvent the food and beverage or other gift exception limitations by splitting the cost of more expensive meals or items.

Notification Requirements

In addition to the notification requirements for legislative receptions and necessary expenses, if you give a reportable person (public official, state employee, candidate for public office or a candidate's staff or immediate family member) anything of value that is subject to itemization (i.e., $10 or more), you must, within 10 days, provide a written report to the recipient, stating your name, a description of the item, the value of the item, and the cumulative value of all items provided to the same recipient in that calendar year. This provides a valuable check or reminder for both parties of the Code's aggregate limits. General Statutes § 1-97 (d).

Reimbursement

An expenditure does not have to be reported if the recipient reimburses you within 30 days or prior to the due date of your next report, whichever is earlier. Reimbursements should be made by check to ensure verification upon audit. Regulations of Connecticut State Agencies § 1-92-54 (c).

NECESSARY EXPENSES

Providing Necessary Expenses

You may provide necessary expenses to a public official or state employee ***only*** if the official or employee, in his or her official capacity, is actively participating in an event by giving a speech or presentation, running a workshop, or having some other active involvement. General Statutes § 1-84 (k).

Necessary expenses can include:

- Travel (not first class);
- Lodging (standard cost of room for the nights before, of, and immediately following the event);
- Meals; and
- Related conference expenses.

Entertainment costs (tickets to sporting events, golf outings, night clubs, etc.) are ***not*** necessary expenses. Necessary expense payments also ***do not*** include payment of expenses for family members or other guests.

Within 30 days of providing necessary expenses, a client lobbyist must file an ETH-2D form with the OSE. General Statutes § 1-96e.

When a public official or state employee attends an in-state event in his or her official capacity as a principal speaker and receives admission, food or beverage from the event sponsor, the associated costs are not considered a gift and no necessary expense report is required. General Statutes § 1-84 (k).

Fees and/or Honoraria

Public officials and state employees may ***not*** accept fees and/or honoraria for an article, appearance, speech or participation at an event in their official capacity.

Fees or honoraria for such activities, if offered based solely on expertise and without any regard to official position, may be acceptable. Contact the OSE before making any such payment.

LEGISLATIVE RECEPTIONS

What are Legislative Receptions?

Registered lobbyists may hold one legislative reception per year for General Assembly members, in accordance with the gift exceptions discussed below. General Statutes § 1-91 (g) (10) and (11).

There are two types of legislative receptions. Lobbyists may choose to hold ***one or the other*** per calendar year – not both.

- The first type is a publicly-noticed legislative reception to which all members of the General Assembly are invited and the cost for food and beverage may not exceed $49.99 per person.

- The second type is a regional reception to which all General Assembly members from a particular region in the state are invited and the cost for food and beverage may not exceed $49.99 per person.

Related Itemization on Financial Reports

Legislative receptions must be itemized by listing all attendees on lobbyist financial reports when the cost per person is $30 or more and does not exceed $49.99. This holds true for both types of receptions described above. General Statutes § 1-96 (e).

Associated Notification Requirements

If you know that a legislative reception will result in an itemization that totals $30 or more per person, you must include on the invitation or published notice that the event is expected to be reportable as such.
General Statutes § 1-96d.

Note: The requirement that legislative receptions be "publicly noticed" is satisfied by publishing the event in the Connecticut General Assembly Bulletin or in the Interim Bulletin. When those options are not available, notice should be published in a newspaper, circulating either statewide or regionally, depending on the nature of the event. See Advisory Opinion No. 2007-3.

Note: A **charitable or civic event** at which a state servant participates in his or her official capacity carries identical itemization and notification requirements. General Statutes § 1-96 (e).

GIFTS

Giving Gifts to State Personnel

As a registered lobbyist, you are considered to be a **restricted donor**. In general, public officials or state employees may not accept gifts from restricted donors.

A **gift** is defined as anything of value that is directly and personally received by a public official or state employee (and sometimes family members of those two categories) *unless* consideration of equal or greater value is provided. General Statutes § 1-91 (g).

Gift Exceptions

There are, however, certain exceptions to this definition of "gift." Not all exceptions are covered below; see General Statutes §§ 1-91 (g) (1) – (17) for the complete list.

Token Items **–** Restricted donors such as client lobbyists may provide any item of value that is not more than $10 (such as a pen, mug, or inexpensive baseball cap) to a public official or state employee, provided that the annual aggregate of such items to a single beneficiary is $50 or less. General Statutes § 1-91 (g) (16).

Food and Beverage – Restricted donors may also provide less than $50 worth of food and beverage in a calendar year to a public official or state employee, provided that the restricted donor or its representative is in attendance when the food and/or beverage is being consumed. General Statutes § 1-91 (g) (9).

Major Life Events – Registered lobbyists are the only restricted donors who may make use of this exception. There is a $1,000 limit on a gift a registered lobbyist gives to a public official, state employee or a member of that official's or employee's family for the following major life events: wedding, funeral, birth or adoption of a child, ceremony commemorating induction into religious adulthood, or retirement from state service. Regulations of Connecticut State Agencies § 1-92-53.

Gifts to the State – Restricted donors may provide what are typically referred to as "gifts to the state." These gifts are goods and services provided to a state agency or quasi-public agency for use on state or quasi-public agency property or that support an event, and which facilitate state or quasi-public agency action or functions. General Statutes § 1-91 (g) (5).

Other Exceptions – There are a total of 17 separate gift exceptions in the Code. Also exempt from the definition of gift are items such as informational materials germane to state action; ceremonial plaques or awards costing less than $100; or promotional items, rebates or discounts that are available to the general public.

Legislative receptions, discussed in detail above, are exceptions to the definition of gift, as are gifts given by restricted donors to members of their immediate family.

POLITICAL CONTRIBUTIONS

Permissible Contributions

There are certain exceptions to the definition of gift. Items noted in these exceptions are permissible and may be accepted from restricted as well as non-restricted sources. Among these exceptions are two that pertain to political contributions:

- A political contribution otherwise reported as required by law or a donation or payment as described in General Statutes § 9-601a (b) (9) or (10); and

- Volunteer services to aid or promote the success or defeat of any political party, any candidate(s) for public office or the position of convention delegate, town committee member or any referendum question.

Prohibitions and Considerations

- It is not permissible to offer or give a public official, state employee or candidate for public office (or such candidate's family member or associated business) anything of value, including a political contribution, with the understanding that a vote, official action or judgment of the recipient would be (or had been) influenced by the contribution.

- It is not permissible for a public official, state employee or candidate for public office to solicit or accept anything of value, including a political contribution, with the understanding that a vote, official action or judgment of the recipient would be (or had been) influenced by the contribution.

- The State Treasurer may neither pay nor enter into a contract with an investment services firm if a political committee established by the firm or a principal of the firm has made a contribution to (or solicited a contribution for) an exploratory or candidate committee established by the State Treasurer as a candidate for nomination or election to the Office of State Treasurer.

Sessional Ban on Lobbyist Contributions

Registered lobbyists and their affiliated political action committees (PACs) are banned from soliciting or donating to political campaign contributions. Specifically, there is a temporary ban while the General Assembly is in session that applies to all registered client lobbyists and their affiliated PACs. (General Statutes § 9-610 (e), which falls within the jurisdiction of the State Elections Enforcement Commission.)

POLITICAL CONVENTIONS

Benefits Received at Conventions

Generally, the Ethics Code's gift and reporting provisions apply with equal effect to political and nonpolitical events and to in-state and out-of-state events. Advisory Opinion No. 2004-12 addresses a number of hypothetical questions regarding the acceptance of meals or other benefits provided to public officials (e.g., legislators) at *national* legislative organizations or *national* political conventions. Specifically, benefits may be offered by the following sources, with the accompanying outcomes:

- Restricted donor (i.e., registered lobbyist; entity regulated by, doing business with or seeking to do business with official's agency; etc.)
    - Any benefit received must fall within one of the gift exceptions in General Statutes § 1-79 (e) (1) – (18); for example, the $50 annual limit on food and beverage.

- Non-restricted donor (e.g. out-of-state lobbyist whose employer does not have a Connecticut lobbyist):
    - If a benefit is offered by virtue of one's public position, benefit must be limited to less than $100.
    - If the benefit is strictly personal, e.g., an out-of-state lobbyist and legislator are longtime friends, no limit exists.

Note: If the recipient is at the conference because of his or her public office, the presumption is that any benefit provided is offered by virtue of his or her position.

- Restricted donor listed as a sponsor of the event:
    - If the convention is *generally* sponsored or underwritten by a corporation, and its funds are not earmarked for an event with Connecticut attendees, there is a $100 limit to the benefits a legislator or public official may receive.
    - If a corporation provides funds with the explicit understanding that the monies will be used to underwrite an event at which Connecticut officials will be in attendance, the Code's gift restrictions apply.

- National legislative organization providing travel scholarships (funded by corporate contributions) for legislators:
    - Whether or not a scholarship account is funded by lobbyist contributions, a legislator or public official may accept travel expenses and accommodations (and other "necessary expenses") for an article, appearance or speech, or for participation at an event in one's official capacity.
    - Within 30 days of receiving reimbursement of necessary expenses for lodging or out-of-state travel, a public official/state employee must file an ETH-NE form with the Office of State Ethics.

Charitable Events at Conventions

Advisory Opinion No. 2004-10 contemplates whether public officials and state employees may accept free tickets to a charitable event held in conjunction with a convention under the charitable event gift exception. In general, for this exception to apply (i.e., for the free ticket to be permissible):

- The official or employee must be invited to participate in his or her official capacity;
- Admission must be provided by the primary sponsoring entity (e.g., the charity, as Advisory Opinion No. 2004-10 concluded); and
- Benefits may only include event admission and food and beverage (no travel or other tangible gifts over $10).

Note: There is nothing that would prohibit the official or employee from paying to attend the event in question.

Restrictions and Reporting for Lobbyists

As addressed in Advisory Opinion No. 2000-19, the Lobbyist Code's gift restrictions and reporting requirements apply to expenditures for food and drink or entertainment made at the two major party political conventions.

- These restrictions and reporting requirements apply whether expenditures are made in or outside of CT and whether the purpose of the event is in furtherance of or unrelated to lobbying.
- Likewise, the provisions apply whether expenditures are made directly by the CT lobbyist or indirectly by a national association or business entity "on behalf of" the CT lobbyist.
- Further, the same requirements apply to convention events underwritten by a lobbyist, if its donations to the political convention committees were made with the explicit understanding that the monies would be used to pay for an event at which CT officials would be in attendance.

OTHER CONSIDERATIONS AND CODE REQUIREMENTS

Prohibited Activities General Statutes § 1-97.

Contingency Fees – No person may be employed as a lobbyist for compensation that is contingent upon the outcome of any administrative or legislative action.

Public Official's Personal Obligation – No lobbyist may do anything with the purpose of placing any public official under personal obligation.

Lobbyist Employment – No lobbyist may attempt to influence any legislative or administrative action for the purpose of thereafter being employed to secure its defeat.

Communication/Information – No lobbyist may cause any communication to be sent to a public official in the name of any other individual except with the consent of such individual. Further, no person shall take or threaten to take official action against an individual for disclosing information to the Office of State Ethics.

Document Preservation

Keep all of your accounts, bills, receipts and any and all other documents necessary to substantiate your reports for a period of **three years** from the date the report is filed with the Office of State Ethics. It is also a good idea to keep a copy of the report itself. General Statutes § 1-96a. 2012 Lobbyist Record Keeping Manual.

Note: The statute of limitations is five years; therefore you may wish to retain documents for an additional two years.

Audits

Pursuant to General Statutes § 1-96a(b) and Regulations of Connecticut State Agencies § 1-92-56(a), the Chair of the Citizen's Ethics Advisory Board shall periodically and randomly select client registrants to be audited by the Office of State Ethics. Selection ceremonies are open and publicly noticed.

Penalties (General Statutes § 1-99.)

Individuals may be subject to a penalty of $10,000 for each violation of the Code of Ethics. Failure to file required reports can result in a fine of up to $10,000, accrued at a rate of up to $10 per day for each delinquent report.

Intentional violation of the Code of Ethics can result in a prohibition from engaging in the profession of lobbying for a period of two years. The Citizen's Ethics Advisory Board may also report its findings to the Chief State's Attorney for any additional actions deemed necessary. General Statutes § 1-99(c).

NOTES